

*Bill extends production tax credit through 2016*

**Washington, Nov 2, 2011** - **Washington DC** – U.S. Representatives Dave Reichert (R-WA) and Earl Blumenauer (D-OR), members of the tax-writing House Committee on Ways and Means, today introduced the *American Renewable Energy Production Tax Credit Extension Act* (H.R. 3307). This bipartisan bill extends the tax incentive for the production of wind power, geothermal power, hydropower, and other forms of renewable energy through 2016.

“Extending this long-standing tax incentive will leverage private investment to bring proven energy projects online, bolster domestic manufacturing, and reduce electricity costs for businesses and families,” said **Rep. Reichert**. “Renewable energy resources play an important and increasing role in America’s total energy supply and reducing our reliance on foreign energy resources controlled by hostile nations. The certainty this bipartisan bill will provide can further spur growth in this vital sector, increase economic development, and create jobs.”

“Tax credits for renewable energy development are an essential part of powering America’s clean energy future,” said **Rep. Blumenauer**. Investing in the renewable energy industry is vitally important for the American economy, creates jobs, and moves us towards energy independence.”

"American wind energy jobs are something that we can all agree are vital for our economic well-being and energy security," said **Denise Bode, CEO of the American Wind Energy Association**. "The recent stability of production tax credit (PTC) has provided the foundation of wind energy's transformation of a new manufacturing sector based on American ingenuity. Over the last six years, U.S. domestic production of wind turbine components has grown 12-fold to more than 400 facilities in 43 states. Extending the PTC will keep growing U.S. wind energy manufacturing jobs, rather than losing them to other countries."

“Extending hydropower tax incentives provides developers financial certainty and will bring additional clean, affordable and reliable hydroelectric power to more American families,” said **Linda Church Ciocci, Executive Director of the National Hydropower Association**. “A long-term PTC extension sends a market signal supporting project development, in turn leveraging significant private investment.”

"The Reichert-Blumenauer bill is a measure that will help diversify our nation’s energy sources while employing thousands of Americans and providing hundreds of megawatts of new clean

energy,” said **Bob Cleaves, President and CEO of Biomass Power Association**. “Biomass power promotes sustainable forestry and farming while providing predictable, long-term energy solutions that contribute to rural economies across the country.”

“Extending federal tax incentives through 2016 is vital for the future of the US geothermal industry,” said **Karl Gawell, Executive Director of the Geothermal Energy Association**. “We are already seeing a slow-down in projects unable or unlikely to meet the current deadline. This legislation would stem this downturn and sustain growth in the US geothermal industry.”

## **BACKGROUND**

H.R. 3307 provides a clean, 4-year extension of the existing production tax credit for wind, biomass, geothermal, small irrigation, landfill gas, trash, and hydropower. It was created in the *Energy Policy Act of 1992*

and has frequently been extended in year-end packages of expiring tax provisions, as well as in the

*Energy Policy Act of 2005*

. The current incentive is set to expire next year for wind and in 2013 for other renewable energy forms. Advocates note that historically, at least six to eight months before the tax credit expires, financial lenders hesitate in providing capital for projects because of the uncertainty created by the pending expiration of the credit, stalling projects from coming online. The rush to complete projects as the PTC nears expiration also reduces projects and adds costs, resulting in higher electricity prices.